2

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Attachment 4.19D

5101:3-3-82

Intermediate care facilities for the mentally retarded (ICFs-MR): method for establishing the other protected costs component of the prospective rate.

- (A) The Ohio department of human services (ODHS)job and family services (ODJFS) shall pay each eligible ICF-MR a per diem for each resident for other protected costs. This component of the rate will be established prospectively each fiscal year for each facility. This per diem shall be calculated by taking the desk-reviewed, actual, allowable other protected costs total except for the franchise permit fee (account number 6091) and dividing by the inpatient days. This information will come from the year ending cost report preceding the fiscal year in which the rate will be paid. This per diem will then be inflated by the estimated inflation rate as calculated under paragraph (B) of this rule and added to the per diem for the franchise permit fee as calculated under rule 5101:3-3-8215101:3-3-82.1 of the Administrative Code to determine the total other protected cost component of the prospective rate.
- (B) ODHSODIFS shall estimate the rate of inflation for the eighteen-month period using the consumer price index for all urban consumers for nonprescription drugs and medical supplies, as published by the United States bureau of labor statistics. The estimated inflation rate is calculated by taking the index as of the thirty-first day of December in the fiscal year the rate will be paid, divided by the index as of the first day of July in the immediately preceding calendar year. If the estimated inflation rate for the eighteen-month period is different from the actual inflation rate for that period, the difference shall be added to or subtracted from the inflation rate estimated for the following fiscal year.

2

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5101:3-3-83.1

Method for establishing the out of facility meal cassimit for of intermediate care facilities for the mentally retarded (ICFs-MR).

The department of human services (ODHS)job and family services (ODJFS) shall set a cost limit for out-of-facility meal costs each fiscal year for all intermediate care facilities for the mentally retarded. Cost limits for resident meals prepared and consumed outside the facility shall be based on the statewide average cost of serving and preparing meals in all intermediate care facilities for the mentally retarded, as reported on the facility cost reports. Excluded from the calculation of the ceiling is any ICFs-MR with less than a calendar year cost report and any ICFs-MR that serves residents who have outlier needs pursuant to rule 5101:3-3-25 of the Administrative Code.

- (A) The average statewide in-facility per meal dietary cost limit is the desk reviewed, actual, allowable dietary cost for all ICFs-MR from the calendar year preceding the fiscal year in which the rate will be paid, divided by total inpatient days for the corresponding period, divided by three meals per day.
- (B) Beginning July first of each fiscal year based upon calendar year preceding the fiscal year in which the rate is paid, the average statewide in-facility per meal dietary cost established under paragraph (A) of this rule is determined from the sum of the costs reflected in the ODHS 2524JFS 02524 medicaid cost report accounts 7000 dietitian; 7005 food service supervisor; 7015 dietary personnel; 7025 dietary supplies and expenses; 7030 dietary minor equipment; 7035 dietary maintenance and repair; 7040 food in-facility; 7060 payroll taxes dietary; 7065 workers compensation-dietary; 7070 employee fringe benefits-dietary; 7075 employee assistance program administrator-dietary; 7080 self funded programs administrator-dietary; and 7090 staff development-dietary; for all ICFs-MR as set forth under rules 5101:3-3-2015101:3-3-20.1 of the Administrative Code.
- (C) For cost reporting purposes specified under rule 5101:3-3-20 of the Administrative Code, providers must report the total number of meals which correspond to the total cost for "food-out-of-facility" meals in cost report account 7041 of rule 5101:3-3-2015101:3-3-20.1 of the Administrative Code.
- (D) The maximum allowable cost for each ICF-MR for the food out-of-facility cost center calculated at rate setting each fiscal year shall be the lesser of the actual cost per meal or the statewide cost limit established in paragraph (A) of this rule, multiplied by the number of meals established in paragraph (C) of this rule.
- (E) ODHSQDJFS shall not recalculate the rate for out-of-facility meal allowance costs based on additional information that it receives after the rate is set. ODHSQDJFS shall recalculate the rate for out-of-facility meal allowance costs only if it made an error in computing the rate based on the information available at the time of the original calculation.

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5101:3-3-84.4

Intermediate care facilities for the mentally retarded (ICFs-MR): return on equity.

The Ohio department of human services (ODHS)job and family services (ODJFS) shall pay each eligible proprietary ICF-MR a return on the facility's net equity computed from the cost report of the calendar year that precedes the fiscal year in which the rate is paid at the rate of one and one-half times the average interest rate on special issues of public debt obligations issued to the federal hospital insurance trust fund for the cost reporting period. No facility's return on net equity shall exceed one dollar per resident day. When calculating the rate for return on net equity, ODHSODJFS shall use the greater of the facility's inpatient days during the applicable cost reporting period or the number of inpatient days the facility would have had during that period if its occupancy rate had been ninety-five per cent.

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2

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Attachment 4.19D

5101:3-3-86

Intermediate care facilities for the mentally retarded (ICTs MR): Rates for providers new to the medical assistance program and for providers that change provider agreements.

- (A) The Ohio department of job and family services (ODJFS) shall determine rates for an ICF-MR which is new to the medical assistance program (an ICF-MR with a first date of licensure and subsequent certification on or after January 1, 1993, including an ICF-MR that replaces one or more existing facilities, or for an ICF-MR with a first date of licensure before that date that was initially certified for the medical assistance program on or after that date) in the following manner:
 - (1) For the fiscal year in which the ICF-MR begins participation in the medical assistance program, the initial rate shall be set as follows:
 - (a) The rate for direct care costs shall be determined as follows:
 - (i) Except as provided in paragraph (A)(1)(a)(iv) of this rule, the initial rate shall be the cost per case-mix unit (CPCMU) which reflects the median medicaid day of the ICF-MR bed-size group multiplied by the eighteen-month inflation rate determined for the fiscal year under rule 5101:3-3-79 of the Administrative Code multiplied by the median annual average case-mix score of the ICF-MR bed-size group. Both the CPCMU which reflects the median medicaid day of the ICF-MR bed-size group and the median annual average case-mix score of the ICF-MR bed-size group are determined from the calendar year preceding the fiscal year in which the rate will be paid. ODJFS shall assign the ICF-MR to the applicable bed-size group based upon the number of medicaid-certified beds of the ICF-MR as determined under rule 5101:3-3-79 of the Administrative Code.
 - (ii) After the ICF-MR submits quarterly assessment information for its first reporting quarter under rule 5101:3-3-75 of the Administrative Code, its rate for the following payment quarter shall be calculated using its actual case-mix score from the reporting quarter as determined under rule 5101:3-3-77 of the Administrative Code instead of the median case-mix score as prescribed by paragraph (A)(1)(a)(i) of this rule. If either of the ICF-MR's first two quarterly submissions do not contain assessment information that qualifies for use in calculating a case-mix score under rule 5101:3-3-77 of the Administrative Code, ODJFS shall continue to calculate the rate using the median annual case-mix score for the ICF-MR bed-size group and shall not assign a quarterly case-mix score as provided in that rule. If any subsequent submissions do not contain assessment

5101:3-3-86

2

information that qualifies for use in calculating a case-mix score as determined under rule 5101:3-3-77 of the Administrative Code, ODJFS may assign a case-mix score for the quarter that is five per cent less than the case-mix score that was used to calculate the ICF-MR's rate for the preceding calendar quarter and shall use the assigned score in place of the median case-mix score as prescribed by paragraph (A)(1)(a)(i) of this rule.

- (iii) After the ICF-MR submits its three-month cost report under rule 5101:3-3-20 of the Administrative Code, its rate shall be determined using the lesser of its actual CPCMU as determined under paragraph (A)(1)(a)(iii)(a) of this rule, or the maximum CPCMU for the peer group from the calendar year preceding the fiscal year in which the rate will be paid. The ICF-MR's actual CPCMU shall be used only if the ICF-MR submits assessment information that qualified for use in calculating a case-mix score under rule 5101:3-3-77 of the Administrative Code. Otherwise ODJFS shall continue to use the median CPCMU for the ICF-MR as prescribed by paragraph (A)(1)(a)(i) of this rule.
 - (a) The ICF-MR's actual CPCMU is determined by dividing the ICF-MR's desk-reviewed, actual, allowable, per diem direct care costs determined from the three-month cost report by the ICF-MR's actual case-mix score(s) from the reporting quarter or quarters ended during the cost report period.
 - (b) The inflation rate used to inflate the ICF-MR's actual CPCMU referenced in paragraph (A)(1)(a)(iii) of this rule by using the midpoint of the cost report period to the midpoint of the fiscal year in which the rate will be paid to calculate a prorated portion of the eighteen-month inflation rate determined under rule 5101:3-3-79 of the Administrative Code for that fiscal year. The inflation rate used to inflate the median CPCMU or the maximum CPCMU referenced in paragraph (A)(1)(a)(iii) of this rule shall be the eighteen-month inflation rate determined for the fiscal year under rule 5101:3-3-79 of the Administrative Code.
- (iv) If the ICF-MR is a replacement facility and the facility or facilities that are being replaced are in operation immediately before the replacement ICF-MR opens, the direct care rate shall be the same as the direct care rate for the replaced facility or facilities, weighted by the number of beds from each replaced facility. If one or more of the replaced facilities is not in operation

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3

5101:3-3-86

immediately before the replacement ICF-MR opens, its proportion of the direct care rate shall be determined under paragraph (A)(1)(a)(i) of this rule. When the provider files the three-month and calendar year cost reports required by rule 5101:3-3-20 of the Administrative Code, the direct care rate shall be calculated as provided in paragraphs (A)(1)(a)(ii) and (A)(1)(a)(iii) of this rule.

- (b) The rate for other protected costs shall be determined as follows:
- (i) The initial rate shall be one hundred fifteen per cent of the median rate for all ICFs-MR as calculated at the beginning of the fiscal year in which the rate will be paid under rule 5101:3-3-82 of the Administrative Code. The median rate will not include the franchise permit fee. Facilities billed this fee in their initial rate year, will be assigned an add-on amount as provided in paragraph (A) of rule 5101.3-82.1 of the Administrative Code.
 - (ii) After the ICF-MR files its three-month cost report under rule 5101:3-3-20 of the Administrative Code, its rate shall be its desk-reviewed, actual, allowable per diem other protected costs determined from the three-month cost report multiplied by an inflation rate. The inflation rate used to inflate the ICF-MR's desk-reviewed, actual, allowable per diem other protected costs determined from the three-month cost report shall be determined by using the midpoint of the cost report period to the midpoint of the fiscal year in which the rate will be paid to calculate a prorated portion of the eighteen-month inflation rate determined under rule 5101:3-3-82 of the Administrative Code for that fiscal year.
- (c) The rate for indirect care costs shall be determined as follows:
 - (i) The initial rate shall be the applicable maximum rate for the ICF-MR bed-size group as calculated for the fiscal year in which the rate will be paid under rule 5101:3-3-83 of the Administrative Code. ODJFS shall assign the ICF-MR to the applicable bed-size group based upon the number of medicaid-certified beds of the ICF-MR as determined under rule 5101:3-3-83 of the Administrative Code.
 - (ii) After the ICF-MR files its three-month cost report under rule 5101:3-3-20 of the Administrative Code, the rate shall be the lesser of:

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